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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO: School Corporations**

**FROM: Susan Clark, Budget Division Director**

**RE: Bus Replacement Fund Notices and Plan Template for Budget Year 2016**

**DATE: May 22, 2015**

Pursuant to IC 20-46-5-11, a school corporation desiring to have a Bus Replacement Fund ("Fund") budget or tax levy must adopt a Bus Replacement Plan ("Plan") for the upcoming budget year. Prior to the adoption of the Plan, the school corporation must provide its taxpayers with proper notice of the proposed Plan. The Department of Local Government Finance ("Department") is providing the attached notice template to assist school corporations in meeting this notice requirement. In addition, the Plan template to be used for 2016 also accompanies this memorandum.

## **Notice to Taxpayers**

**While IC 6-1.1-17-3 requires only online posting of a unit's overall Notice to Taxpayers (Budget Form 3), the Bus Replacement Notice to Taxpayers is still required to be published in the newspaper. The Bus Replacement Notice to Taxpayers must be published one (1) time, at least ten (10) days before the date of the public hearing on the Bus Replacement Plan. The Bus Replacement Notice to Taxpayers must be published in two (2) newspapers published in the school corporation. If only one (1) newspaper is published in the school corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the school corporation, then publication shall be made in a newspaper published in the county in which the school corporation is located and that circulates within the school corporation.**

The Notice to Taxpayers notifies taxpayers of the date, time, and location at which a public hearing will be held on the proposed Plan. For schools subject to binding adoption by the fiscal body of a county, city or town, the public hearing and the adoption of the Bus Replacement Plan is required to be completed by the School Board pursuant to IC 20-46-5-6.1 and IC 20-46-5-7.

In addition to this information, the Notice to Taxpayers provides a summary of the proposed Plan, which includes the proposed number of buses to be replaced and the total estimated replacement cost.

In addition to the proposed bus replacements, the Notice to Taxpayers must identify the sources of revenue that will be available to fund the Plan. The detailed items to be included in the Notice to Taxpayers are as follows:

## REVENUES

- Projected January 1 Cash Balance for the year identified.
  - This should be the cash balance projected at the start of the budget year, January 1, 2016.
- Encumbrances Carried Forward from Previous Year.
  - These are encumbrances anticipated to be carried over from 2015 into the 2016 budget year.
- Estimated Cash Balance Available for the Plan – Calculated by subtracting the encumbrances identified above from the projected January 1 cash balance.
- Property Tax Revenue – Proposed property tax levy for the year identified.
- Auto Excise, CVET, and FIT Receipts – Estimated revenues for the year identified.
- Other Revenue – Includes interest income and any other available or anticipated revenues not identified above.

**PLEASE NOTE: The property tax revenue value identified on the Notice to Taxpayers for the ensuing budget year will be used as a determining factor by the Department in approving the corresponding levy. An erroneous entry for Property Tax Revenue for the ensuing budget year can result in a reduced or denied levy for the Fund. Please ensure that this value is correct prior to submitting the Notice to Taxpayers to the newspaper(s) for publication.** On the attached template, you will notice that this cell is highlighted in yellow. This highlight will go away once a value is entered in this cell. In addition, you will see two warning messages to the right of the cell. Before a value is entered into the cell, the warning will read, “Please enter the proposed tax levy for the budget year.” After a value is entered, the warning will read, “Please ensure correct proposed tax levy prior to publication of this notice.” These warnings are for information purposes only and are not to be published.

Lastly, the Notice to Taxpayers provides details on increased transportation needs and the need to replace a bus earlier than anticipated, as applicable. If these situations pertain to your school corporation, the school corporation should ensure that the proper statements are included on the notice. For school corporations looking to add buses, please specify the number of additional buses included in the plan and the total cost of the additional buses.

Accurate completion of the attached notice and appropriate publication of this notice is crucial for the successful and timely completion of budget reviews by the Department. Your assistance in meeting these requirements is appreciated.

### **Bus Replacement Fund Plan**

The attached Plan template is the same template that has been used for the last several years. The only change has been to update the years shown on the plan for the purposes of annualization.

If you have any questions on the attached notice or Plan template, please contact Susan Clark, Budget Division Director, at [sclark@dlgf.in.gov](mailto:sclark@dlgf.in.gov) or (317) 234-3937.